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CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

9 September 1955

STAFF MEMORANDUM No. 60-55

SUBJECT: Terms of Reference for NIE 24-55: The Political Outlook
for Italy

1. An estimate on Italy is included in the 4th Quarter Estimates Program. We believe that developments since publication of NIE 24-54 last November warrant a new look at the Italian political situation in particular, including: (a) the prospects for Left Bloc growth, with emphasis on the apparent loss of vitality and momentum of the PCI, strength of the Communist-Nenni Socialist link and the chances of Nenni promoting an "opening to the left"; (b) the internal situation within the Christian Democratic and other non-Communist parties and probable trends in their strength, cohesion, leadership and orientation; (c) the likelihood of political realignments; (d) the probable longevity of the Segni government; and (e) the prospect for and probable outcome of new elections prior to 1958.

2. We believe that a brief NIE focussed primarily on the political outlook would be more valuable at this time than a full-scale redo of

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of the old country study. Developments during the past year do not appear to necessitate substantial alterations in the economic, military and foreign policy sections of NIE 24-54. We propose to consider these problems, but primarily insofar as they bear on political trends.

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SUBJECT: TERMS OF REFERENCE: NIE 24-55: THE POLITICAL OUTLOOK IN ITALY
(Draft for Board Consideration)

THE PROBLEM

To estimate probable political developments in Italy through 1958 and their implications for Italian domestic and foreign policy.

QUESTIONS BEARING ON THE PROBLEM

I. CURRENT SITUATION

- A. Briefly, what have been the dominant factors contributing to the principal political developments of the past year?
- B. Left Bloc. What are the relative popular and parliamentary strengths of the Communists (PCI) and Nenni Socialists (PSI) at present? What changes have occurred in strength, orientation, tactics, cohesion or leadership during the past year? What factors were chiefly responsible for such changes? To what extent is the PSI Communist-infiltrated? How effective is Nenni's control over the PSI? What have been the principal

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indices of Nenni's intentions with respect to breaking with the PCI? What developments during the past year have tended to (a) strengthen or (b) weaken the PCI-PSI alliance?

- C. Non-Communist Parties. What are their relative popular and parliamentary strengths at present? What changes have occurred in strength, orientation, tactics, cohesion or leadership of each party within the past year? What factors were primarily responsible for such changes? What factions exist within each party and what is their relative strength?
- D. What are the nature and extent of the anti-Communist measures being undertaken by the Italian government? With what effect?
- E. What have been the principal economic and social developments which have influenced the political situation during the past year? With what effect?
- F. Have any major foreign policy developments influenced the political situation during the past year? With what effect?

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II. PROBABLE DEVELOPMENTS

A. Trends in Party Strength and Alignment

1. What are the probable future trends in the popular and parliamentary strength of the PCI and PSI? In their orientation, tactics, cohesion and leadership? What is the likelihood of a split between the PCI and PSI? Of such a split being PCI-engineered rather than genuine? What would be the principal considerations affecting Nenni's decision to attempt such a break? What proportion of the PSI would follow Nenni if he broke with the PCI? What are the chief factors which will influence the future strength of the PCI and PSI? The solidarity of the Left Bloc?
2. What are the probable future trends in the strength and alignments of the various non-Communist parties? In their orientation, tactics, cohesion and leadership? Which faction within the CD is likely to achieve dominance?
3. What are the chances of an "Opening to the Left"? Under what circumstances might the present center bloc or the the CD alone accept an alliance with the PSI? Accept Nenni or other PSI members in the government? What would be the effect on party cohesion of such moves?

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4. What are the prospects for economic growth over the next several years? Probable trends regarding unemployment? What effect will these and other economic and social developments have on political trends?
5. What are the probable future trends in the size, composition, and political leanings of the Italian labor unions? With what effect on the political situation?
6. What is the likely influence of the Vatican in domestic politics?
7. How may political trends be affected by such external factors as reduced international tension, European integration developments, increasing nuclear capabilities, neutralist pressures, Soviet overtures for increased trade and cultural exchanges, US economic conditions, US policy vis-a-vis Italy, NATO commitments, and deployment of additional US forces?

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B. Probable Composition of Future Italian Governments

1. Based on A above, how long is the Segni government likely to remain in power? What will be the principal internal and external factors affecting its position and longevity?
2. Probable political composition of a successor government or governments? What are the chances of a CD "monocolore" government?
3. What is the likelihood of new elections within the next eighteen months? What would be the principal factors affecting the calling of elections? What effect would elections within the next year have on the composition of the Italian government?
4. What is the likelihood that the Communists, either alone or in conjunction with the Nenni Socialists, will be voted into power by new elections? That they would attempt to seize power by force? What is the likelihood that forces of the extreme right will seek to take over the government?

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C. Probable Italian Policies

1. What are the probable policies of the Segni and any successor governments with respect to social and economic reforms? With respect to the so-called Vanoni or similar long-range plans? What would be the probable political effects of such reform measures?
2. What are the probable policies of the Segni and any successor governments toward Communism in Italy? Probable effects of such policies?
3. What action would the Segni or any successor governments be willing and able to take in conjunction with the armed forces and police forces should there be an imminent threat of a Communist take over of the government by force? What would be the probable loyalty of the armed forces and police forces? Would they be capable of preventing such a Communist takeover?
4. Are probable political trends likely to effect any substantial change in Italian foreign policies? For example, what are the possibilities of increased neutralism?

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III. VALIDITY STUDY OF NIE 24-54

Please attach to your contributions a brief over-all critique of NIE 24-54.

IV. INTELLIGENCE DEFICIENCIES NOTED

Please attach also a resumé of the principal intelligence deficiencies noted during the preparation of your contributions.

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